

## **YOUR OPEN ENROLLMENT GUIDE – 2013**

### **REMEMBER:**

**LEARNING ABOUT THE 2013 BENEFITS PROGRAM WILL BENEFIT YOU, AND HELP YOU TO MAKE INFORMED DECISIONS FOR YOU AND YOUR FAMILY MEMBERS.**

# **OPEN ENROLLMENT GUIDE – 2013**

Open Enrollment is the time when you need to review your benefit programs to make informed decisions for the next calendar year. Reason why this is so important is because there are several enhancements and changes that you will want to understand before making your choices.



***2013 Open Enrollment Period  
Monday, October 15 through Friday, November 2, 2012***

## **Plan/Cost Changes:**

- Our rates are decreasing by 5%! See Rate Sheet for changes in Health insurance cost.
- Traditional Dental coverage insurance will have a 4% increase in cost.
- Preferred Dental insurance will have a 6% increase in cost.
- The maximum allowable cover for **Medical** Flexible Spending is \$2,500.00. This is a new federal requirement.

## **GENERAL INSTRUCTIONS:**

- You must submit any enrollments or changes on or before 5 PM, **Friday, Nov. 2, 2012**. Forms cannot and will not be accepted after Open Enrollment ends.
- If you are a **new Enrollee** or wish to **ADD family members** to any of your coverages, dependent documentation must be provided. **You must provide the required dependent documentation to HR by November 2, 2012.** (See the Dependent Documentation Section for what documentation is acceptable, and for how to document student status for the dental plan.)
- **All changes and new enrollments require completion of a form!** Check with Human Resources if you need a form or are unsure about what form to complete.
  - In order to **add dependents**, you must meet with a Payroll representative in HR. Most forms will also be available at the meetings or may be printed off the Portal or the [www.wichita.gov](http://www.wichita.gov) site.
- You do not need to re-enroll in the plans listed below. If you do not complete and return a form, you are advising HR that you want to **continue with your current coverage.**

**Health Insurance (medical/prescription/vision); Dental; Long-Term Disability;  
Voluntary Accidental Death & Dismemberment; Long Term Care; & Basic/dependent life.**

- Each year you must re-enroll in the **Flexible Spending Accounts** (medical and dependent care). Failure to do so means no coverage for 2013. No exceptions!
- You will not have another opportunity to enroll/drop coverage or make changes until the next Open Enrollment unless you have a “qualifying event” during 2013. A list of qualifying events is available from HR or on the City of Wichita Portal Site.

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***For your convenience Open Enrollment documents have been posted on the Portal and the [www.wichita.gov](http://www.wichita.gov) site.***

# HEALTH INSURANCE

*(Medical, Prescription Drug and Vision)*

**COVENTRY HEALTH CARE** will continue as the administrator for medical benefits. The current level of coverage will continue.

Please remember that dependents may remain under your health, vision and RX coverage until age 26, regardless of student status.

The new deductions will begin on the December 14, 2012 paychecks.  
New or changed coverage will be effective on January 1, 2013.



The City of Wichita will join the “Open Network” plan through Coventry. This means that effective January 1, 2013, **you now have a choice in the hospital you select**. Please contact customer service with Coventry at 1-866-611-7337 for a benefit determination to determine which hospital facility will be the most cost effective choice for you and your family, prior to hospitalization.

**Please refer to the Plan comparison sheet to determine the level of coverage that you would like to select.**

The plan design for both plans is very similar. Employees electing coverage in the “Select” plan will have a deductible, higher copays, and more instances of coinsurance (cost sharing). In both plans, you do not need to designate a specific primary care physician. You may see any doctor you choose, including specialists, but you will receive the highest level of benefits from an in-network provider. Out-of-network chiropractors are not covered.



***There are significant out-of-pocket costs of using non-network providers, so make sure any provider you use is in-network (unless you really want to pay the significant cost of a non-network provider).***

**PRESCRIPTION DRUG PLAN:** Please make note of the new benefit administrator for 2013. The company name is **Catamaran!** To view the formulary, please go to [www.mycatamaranrx.com](http://www.mycatamaranrx.com).

**VISION SERVICE PLAN (VSP)** will continue to be included as a part of both Health Plans in 2013.

**If you want to enroll in or drop out of the health insurance plan, change plans, or add/drop dependents, you must complete an enrollment form and the attached Cafeteria Plan form, by 5 PM, Friday, Nov. 2, 2012. If you want to remain at your current coverage level (Single or Family), you do not need to do anything; your current coverage will carry over into 2013.**

# **FLEXIBLE SPENDING ACCOUNTS (FSAs)**

**Open Enrollment is the only time you may enroll in this tax-saving program!** ASI will continue to administer the Health Care FSA and Dependent Care FSA in 2013. Information explaining the tax advantages of the FSAs, which actually increase your take-home pay and reduce expenses you would be paying for anyway can be found on the Portal or on the [www.wichita.gov](http://www.wichita.gov) site.

## **IMPORTANT NOTE FOR CURRENT FSA PARTICIPANTS:**

**IF YOU WANT TO CONTINUE PARTICIPATION IN 2013, YOU MUST RE-ENROLL.** Your current FSA election will NOT carry over automatically. If you do not re-enroll, your participation will end on December 31, 2012.

**THE MAXIMUM ALLOWABLE AMOUNT YOU MAY ENROLL IN UNDER MEDICAL FLEXIBLE SPENDING IS \$2,500.00 FOR 2013.** Please note this is a significant decrease from the 2012 maximum (previously \$7,500.00). The change is part of the Federal Mandate under health care reform. Please plan accordingly.

Deductions for 2012 enrollment will continue through December. Deductions for 2013 FSAs will start on January 11, 2013.

### **Here's an overview of how the FSAs work:**

- ❖ First, estimate the total qualifying expenses you expect to have in 2013.
- ❖ Then, divide the total expenses by 26 paydays to get the deduction needed to reach the yearly total (minimum and maximum deductions apply – see the end of the FSA section).
- ❖ **PLAN CAREFULLY:** The IRS requires that any money left in FSAs at the end of the year cannot be carried over or reimbursed (also called “use it or lose it”). Do not put money in either account if you are not sure you will need it for a qualifying expense during 2013
- ❖ Be sure to **return your completed enrollment form by Nov. 2, 2012!**
- ❖ After you incur an eligible expense in 2013, file a claim and the required receipts with ASI to be reimbursed from your account.
- ❖ **All FSA items must be prescribed.** You cannot purchase over-the-counter items with your FSA unless you can provide proof of a prescription. You only need to obtain one prescription for the year for each over-the-counter medication you need to purchase.
- ❖ **The maximum amount you may elect for your FSA medical account is \$2,500.00.**

You may enroll in either the Health Care FSA or the Dependent Care FSA or BOTH, a brief description follows.

### **Health Care FSA – use this account for UNREIMBURSED medical and dental expenses**

- ❖ **What's Eligible?** Most medical, prescription drug or dental expenses not covered by health or dental insurance are eligible. For example:
  - medical, prescription drug and dental copays and deductibles
  - hearing aids
  - orthodontics and other non-covered dental expenses
  - many **over-the-counter medications (OTC)**, such as those for allergies, smoking cessation or colds, aspirin, some vitamins (certain conditions apply to the OTC feature, see HR for the more detailed flyer). **Please note, you must obtain a prescription for these items before purchase.**

- ❖ **How Am I Reimbursed?** From your Health Care FSA account you may be reimbursed for expenses up to your total annual amount, even if an expense temporarily "overdraws" your account.

Example: Assume you elect to have \$500 deducted for your Health Care FSA. In March you incur an eligible expense for \$500. You can be reimbursed for the **entire** \$500 in March, even though you do not have the entire amount in your FSA. Your payroll deductions will continue through the rest of the plan year until your deductions equal \$500.

### **Dependent Care FSA – Use this account for qualifying Child/Other Dependent Care expenses.**

- ❖ **What's Eligible?** Qualifying child care (day care) expenses and expenses incurred in caring for other dependents (e.g., an adult dependent). Certain rules apply; contact HR for the detailed booklet.
- ❖ **How Am I Reimbursed?** In the Dependent Care FSA, you cannot be reimbursed for more than your current account balance.

Example: Assume you elect to have \$2,600 deducted for your Dependent Care FSA. In January you incur an eligible day care expense of \$300, but you have only contributed \$200 to your FSA. You can be reimbursed for the \$200 in your account and the remaining \$100 will be reimbursed when your next payroll deduction is taken.

### **Other FSA Features:**

**Debit Card-** An optional debit card method is available to participants in the Medical Flexible Spending Plan. Use the card at most large pharmacies and retailers to immediately access your funds without having to send in receipts. This is the most convenient method of using your Medical FSA.

### **2013 Minimum and Maximum FSA Deductions**

<b>FSA Account</b>	<b>Minimum Deduction</b>	<b>Maximum Deduction</b>
Medical FSA	\$130 per year (\$5/ payday)	\$2,500 per year (\$96.15/ payday)
Dependent Care FSA	\$130 per year (\$5/ payday)	\$4,999.80 per year (\$192.30/ payday)

The rules for making mid-year changes are the same as for the Cafeteria Plan (see page 8).



## **DENTAL PLANS**

DELTA DENTAL PLAN OF KANSAS will continue to be the carrier for the **Delta Traditional** and **Delta Preferred** plans in 2013.

The dental plan now has an enhanced benefit for members who receive regular dental cleanings and exams. To receive the Incentive Level, you must have had a cleaning within the last six months, unless you are a new enrollee in the plan.

### **Base Level:**

Plan pays 100% of cleanings and exams (covered once every 6 months)

Plan pays 60% of basic services (e.g., fillings, root canals)

Plan pays 40% of major services (e.g., crowns, partials)

Plan pays 50% of braces – **TRADITIONAL PLAN ONLY**

### **Incentive Level (if covered members have had at least one preventive visit during 2012)**

Benefits increase if the member receives an exam and/or cleaning at least one time in 12 months

Plan pays 100% of cleanings and exams (covered once every 6 months)

Plan pays 80% of basic services (e.g., fillings, root canals)

Plan pays 50% of major services (e.g., crowns, partials)

Plan pays 50% of braces – **TRADITIONAL PLAN ONLY**

### **Costs**

The premium for both plans will go up as follows for plan year 2013.

Dental Plan	Monthly Premium
<b>Traditional Plan</b>	
Single	\$31.54
Single + 1 <small>Orthodontics only offered on Traditional Plan</small>	\$63.12
Family <small>Orthodontics only offered on Traditional Plan</small>	\$105.44
<b>Preferred Plan</b>	
Single	\$20.66
Single + 1	\$39.28
Family	\$68.40

**If you want to enroll in, drop out of either dental plan, change from one plan to the other, or add/drop dependents, you must complete a form by Nov. 2, 2012 (forms are available from HR, the Portal or [www.wichita.gov](http://www.wichita.gov)).**

***For example, if you have a young (2-3 year old) child you did not add to dental at birth, now is the time to do so. You may add children up to age 19. Children may be covered from the ages of 19 – 23, but only with proof of full-time student enrollment. If you do not add your children during Open Enrollment, you will not be able to add them during the year unless you experience a qualifying event!***

**Adding a child to health insurance does not add coverage for dental. You must complete a separate enrollment form.**

If you want to remain in either plan at your current coverage level (Single, Couple or Family), you do not need to do anything; your current coverage will carry over into 2013.

### **Your Dental Options**

**Delta Traditional Plan** - higher premium because you may use any dentist. **Participating dentists** accept Delta allowances for the services provided, so you know what your responsibility will be. If you use a **nonparticipating dentist**, Delta will reimburse you directly for what the plan covers. You have the responsibility to pay the nonparticipating dentist for any difference between his/her charge and the Delta allowance. The Traditional Plan also provides up to \$1,000.00, per lifetime, for orthodontics for dependent children age 19 and under.

**Delta Preferred Plan** - lower premium because the smaller network of dentists accepts lower payments from Delta. **You must use a dentist from the DeltaPreferred list or you will have no coverage.** Make sure that your dentist is in this plan network and will continue to be in 2013. (Be sure to refer to "DeltaPreferred," not just "Delta"). The Preferred Plan does not have any orthodontic coverage.

### **More Dental Information**

Dentist's lists for both plans are available from the Delta Dental website. **Be sure you use the correct list for the plan you enroll in**, particularly for Delta Preferred.

Neither plan includes complete coverage for the cost of orthodonture. (Try a Flexible Spending Account for orthodontic expenses.)

These premiums will start with the December 14, 2012 paycheck. New and changed coverage is effective January 1, 2013.

To enroll in a dental plan, get the form from HR, the Portal, at [www.wichita.gov](http://www.wichita.gov), or by attending a meeting. Be sure to fill it out completely and turn it in to HR by November 2, 2012 with the attached Cafeteria Plan form completed. Be sure to use the correct enrollment form for the plan you want.



## **PREMIUM-ONLY CAFETERIA PLAN**

Everyone who has health and/or dental coverage may participate in the Premium-only Cafeteria Plan. This deducts your premiums **before** taxes, reducing your taxable income and increasing your take-home pay. The Cafeteria Plan is not a separate insurance plan.

If you are in the Cafeteria Plan and want to stop it, or if you are not in the Cafeteria Plan and want to start, you must make the change during Open Enrollment. The form is available from HR.

If you already have pre-tax deductions for health and/or dental insurance now and want to continue, **you do not need to do anything during Open Enrollment**. If there's a "125" by the deduction on your pay stub, you are already in the Cafeteria Plan. If you enroll in the health or a dental plan, you need to complete the Cafeteria Plan form attached to the enrollment forms to either elect or decline enrollment.

IRS regulations restrict changes you can make in a Cafeteria Plan during the year. Any change that affects the amount of your pre-tax deduction can only be made if it is because of a "qualifying family status change," and you make the change with HR within 60 days after this "qualifying event." These include divorce, marriage, birth, adoption, death, a change in a spouse's employment affecting benefits, and others. These rules also apply to Flexible Spending Accounts.

## **LIFE AND AD&D INSURANCE**

The Standard will continue to be the carrier for the Basic Life/AD&D and Dependent Life and Additional insurance. The employee premium contributions in all plans will remain the same. See The Standard Life Plan Summary on the Portal, on the [www.wichita.gov](http://www.wichita.gov) site, or request one in HR.

***If you are enrolling in Basic Life or Additional Life coverage, you will be required to fill out the Medical History Statement. This form must be turned in no later than 5:00 p.m. on Friday, November 2, 2012.***

### **BASIC LIFE, AD&D AND DEPENDENT LIFE**

If you are already enrolled in the Basic Life plan, with or without Dependent Life, **you do NOT have to re-enroll to continue your coverage in 2013.** Approximately 2/3 of this premium is paid by the City. The Standard rates for coverage are:

PRODUCT	BENEFIT	EMPLOYEE COST
Basic Life	2X Annual Salary up to a Maximum of \$600,000	\$0.030 per \$1,000 coverage per month
Basic AD&D	Equal to the amount of basic life benefit	\$0.005 per \$1,000 coverage per month
Dependent Life Spouse Child	\$4,000 \$4,000 from date of live birth	\$0.28/month/family
Voluntary AD&D	\$25,000 to \$500,000 in increments of \$25,000	Employee - \$0.021 per month Family - \$0.031 per month

There are four employee “classes” that determine the maximum amount of allowable coverage. Coverage is set at 2X an employee’s annual salary, but will max out at the following amounts:

Class 1: \$600,000.00	City Council members and City Managers
Class 2: \$600,000.00	Firefighters who are members of IAFF
Class 3: \$150,000.00	Police officers, members of the Fraternal order of Police, members of SEIU and Teamsters
Class 4: \$400,000.00	All non-union employees

### **ADDITIONAL TERM LIFE INSURANCE FOR EMPLOYEES**

This program allows you to elect additional term life insurance coverage. This is a voluntary program; you pay the full cost, but at low group rates. ***If you are a new enrollee, you will be required to turn in the Medical History Statement. If you do not turn this form in, you will not be qualified to receive Additional Life coverage.***

- You must be enrolled in the Basic Life plan to be eligible for the Additional Life plan.
- You can elect **1, 2, 3 or 4 times your annual salary**, up to a maximum of \$1,000,000 (combined maximum with Basic Life). Dependent coverage is not available.
- During this 2013 Open Enrollment, you can elect up to **4 times your salary by providing proof of good health (“medical history statement”)**. In addition to the Enrollment form, you must complete the Medical History Statement. No coverage subject to medical history will be effective or deductions taken until approval is received from The Standard.
- The Additional coverage is **portable** – you can take it with you if you leave City employment (if you are under age 69 and are actively at work at that time.) The coverage that you “port” is the same coverage

you had as an active employee. The cost for ported coverage will be higher than the active employee cost, but it will be much lower than the cost of a conversion policy.

- The cost of Additional coverage is based on your age and the amount of insurance you elect (see below for the 2013 rates).

PRODUCT	BENEFIT	EMPLOYEE COST
		Cost per \$1,000 per month
		Age _____ Cost
		Under 25 ..... \$0.062
		25-29 ..... \$0.073
		30-34 ..... \$0.094
		35-39 ..... \$0.104
		40-44 ..... \$0.125
		45-49 ..... \$0.177
		50-54 ..... \$0.281
		55-59 ..... \$0.520
		60-64 ..... \$0.801
		65-69 ..... \$1.529
		70+ ..... \$2.486
Rate guarantee		3 Years

### **Voluntary Accidental Death and Dismemberment Insurance**

Benefit amount available from \$25,000.00 to \$500,000.00. If bodily injury result in the Death, Dismemberment, or Paralysis of an employee or covered family member ADD will provide benefit.

The following are the 2013 Basic Life, Dependent Life, Voluntary AD&D and Supplemental Life premiums. **You may change, enroll in or drop out of these plans at any time**, subject to medical approval; except for the Voluntary Accidental Death and Dismemberment plan, which does not require a Medical History Statement for enrollment.

### **Accidental Death and Dismemberment Rates**

PRODUCT	BENEFIT	EMPLOYEE COST
Voluntary AD&D	\$25,000 to \$500,000 in increments of \$25,000	Employee - \$0.021 per month Family - \$0.031 per month

## **VOLUNTARY LONG TERM DISABILITY (LTD)** **INSURANCE**

The Standard's Long Term Disability Insurance benefits begin to pay after an employee has been disabled for 90 days. This plan will pay up to 60% of a persons salary for the length of the disability following the 90 day exclusion period. Employees may elect to have a lower benefit amount. Employees will need to submit a Medical History Statement with their application for Voluntary Long Term Disability.

Long Term Disability 2013 Premium	
Age Band	Per Thousand
Under 30	\$0.129
30-34	\$0.210
35-39	\$0.363
40-44	\$0.525
45-49	\$0.775
50-54	\$1.203
55-59	\$1.631
60-64	\$1.655
65-69	\$1.445
70+	\$2.576

## **OTHER PROGRAMS NOT AFFECTED BY OPEN ENROLLMENT**

Detailed information, including enrollment forms, for these plans is available from HR.

**Wellness Rewards** – For **active** employees enrolled in health insurance, a financial reward will be given for proof of participation in wellness activities and healthy behaviors and lifestyles. To receive the reward for 2013, all documentation must be turned in by the last day of Open Enrollment in 2013 (date to be determined).

**457 Deferred Compensation Plan** - You may enroll in, drop out of or change your investments at any time.

### **What is a 457 deferred compensation plan?**

A governmental 457(b) deferred compensation plan (457 plan) is a retirement savings plan that allows eligible employees to supplement retirement and pension benefits by saving and investing through a voluntary salary contribution. Starting October 17, 2011, contributions can be invested on a pre-tax or post-tax (Roth) basis. Earnings on pre-tax contributions are tax-deferred until money is withdrawn. Earnings on post-tax (Roth) contributions are tax-free contingent upon qualified distribution rules.

### **Why should I participate in the Plan?**

You may want to participate if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year. Your City of Wichita 457 Deferred Compensation Plan can be an excellent tool to help make your future more secure. You may also qualify for a federal income tax credit by participating in this Plan. Please contact the City's Great-West Retirement Services® representative at 268-4551 or visit [www.wichita457.com](http://www.wichita457.com) for more information.

**Long-term Care Insurance (UNUM)** - This plan provides coverage for in-home, assisted living, or nursing home long-term care. You may choose various lengths of time, monthly benefit amounts, and other features. Medical information must be provided, so you or other family members may be denied coverage based on medical conditions.

**Learning Quest** - This State of Kansas program offers an excellent opportunity to invest for education expenses for you, your children or anyone else. It is managed by American Century. Although not a City program, you may make your contributions by payroll deduction. Contact Learning Quest at 1-800-579-2203, or at [www.learningquestsavings.com](http://www.learningquestsavings.com).